



State of South Carolina

Office of the Governor

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June 6, 2006

The Honorable André Bauer
President of the Senate
State House, 1st Floor, East Wing
Columbia, South Carolina 29202

Mr. President and Members of the Senate:

I am hereby vetoing and returning without my approval S. 766, R-355.

In addition to existing law, which prohibits individuals or corporations from transporting persons or property without a state license, S. 766 would prohibit individuals or corporations unlicensed as motor carriers from advertising said services. I believe that adding regulatory layers degrades the soil conditions for business in South Carolina.

While this particular regulation is not excessive in its weight, as it is already against the law for unlicensed individuals to perform these services for hire – I believe additional regulation runs counter to the direction this administration has tried to move with regard to the regulatory load on business.

I think this is particularly true when consumers and market forces have the ability to demand a certain threshold for service, like the possession of surety bonds or membership in a guild or association. Accordingly, government should be a venue of last resort for providing assurances in transactions like these.

I would ask that, going forward, lawmakers be very circumspect about making new demands of the businesses that support our economy – recognizing that, as we seek to grow our economy, these types of regulations are often easy to overcome for existing businesses but potentially insurmountable for start-up companies. Perhaps an individual seeking to begin a carrier service would like to gauge consumer interest by advertising their potential entry into the market before taking the steps to acquire certification. I see no reason why that would be inappropriate in an honest, straight-forward context, but under this law, that type of advertising could be construed as illegal.

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There are a number of areas, like college or high school accreditation, that have created a proven framework to separate the qualified from the unqualified. I think that a similar framework could work for motor carriers, and I have not found a compelling need for the government to take on this role.

Ultimately, I believe that in assessing the need for government standards for professional licensure, lawmakers should be mindful of the possible level of harm associated with an activity and the availability of remedies outside the realm of government. In this case, I fail to see where the potential level of harm warrants further government intervention, as the relationship between businesses and consumers provides an adequate context for resolution – in addition to the remedies available through our court system.

Therefore, I am returning S. 766 to you without my signature.

Sincerely,

A handwritten signature in blue ink, appearing to be 'MS' or similar initials, written in a cursive style.

Mark Sanford